GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:3265
ANSWERED ON:21.03.2007
FEE HIKE FOR HIGHER EDUCATION
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Will the Minister of PLANNING be pleased to state:

(a) whether the National Knowledge Commission has recommended any hike in fee for higher education;

(b) if so, the details thereof;

(c) whether the Government has made any assessment of likely impact of fee hike on the education and the students as well;

(d) if so, the details thereof;

(a) whether in the light of the recommendations of the Commission, the Government proposes to evolve any scheme;

(b) if so, the details thereof;

(c) whether certain educational and social organisations have raised objections against some of the recommendations of the Commission; and

(d) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V.RAJASEKHARAN)

(a) & (b): Yes Sir. A copy of the relevant paragraph is enclosed.(Annexure)

(c) & (d): No Sir, as no decision has been taken on the proposal.

(e) & (f) : The recommendations of the National Knowledge Commission have been sent to the concerned Ministries and Departments for examination.

(g) & (h) : The Planning Commission is not aware of any objection.

Annexure referred in the reply to Lok Sabha Unstarred Question No. 3265 due for reply on 21.3.2007 regarding `Fee Hike for Higher Education`.

Extracts from the report of the National Knowledge Commission on Higher Education pertaining to rationalisation of fees.

On an average, fees constitute less than 10 per cent of total expenditure in our universities. And, in most universities, fees have remained unchanged for decades. In theory, universities have the freedom to decide on fees. In practice, however, universities have not exercised this freedom in part because of some genuine concerns about access but in larger part because of the rhetoric and populism in the political process. The problem has been compounded by the UGC method of providing grants-in-aid to bridge the difference between income and expenditure. Consequently, there is no incentive for universities or colleges to raise income through higher fees as that some would be deducted from their UGC (or State Governments) grants. The low fees in public universities, without any means tests have meant unquantifiable benefits for unintended beneficiaries. But private players and foreign institutions have not been restrained in charging fees that the market can bear. The time has come to rethink, as we have no choice but to rationalize fees. It is for universities to decide the level of fees but, as a norm, fees should meet at least 20 per cent of the total expenditure in universities. In addition, fees need to be adjusted every two years through price indexation. Such small, continuous adjustments would be absorbed and accepted for far more easily than large, discrete changes after a period of time. This rationalization of fees should be subject to two conditions : first, needy students should be provided with a fee waiver plus scholarship to meet their costs; second, universities should not be penalized by the UGC for the resources raised from higher fees through matching deductions from their grants- in-aid.